

Message Text

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PAGE 01 OTTAWA 01424 220013Z
ACTION EUR-12

INFO OCT-01 ISO-00 NSCE-00 USIE-00 SP-02 AID-05 EB-08
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 PA-01 INRE-00 SSO-00 SEC-01 /077 W
-----076865 220017Z /66

O 220009Z MAR 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC IMMEDIATE 6746
INFO AMCONSUL MONTREAL

C O N F I D E N T I A L OTTAWA 01424

PASS TREASURY, FRB

E.O. 11652: GDS
TAGS: EFIN, CA
SUBJECT: YIELDS ON GOC U.S. DOLLAR BOND ISSUE

REF: OTTAWA 1117

1. CANADIAN GOVERNMENT ANNOUNCED MARCH 21 IT HAS APPROVED
TERMS OF ITS U.S. DOL 750 MILLION BOND ISSUE. TERMS AS
FOLLOWS WILL BE REGISTERED WITH SEC MARCH 22:

-----A. 250 MILLION DOLLAR ISSUE OF FIVE YEAR BONDS,
COUPON EIGHT PERCENT, PRICED AT 102 TO YIELD 7.95 PERCENT.

-----B. 250 MILLION DOLLAR ISSUE OF SEVEN AND ONE HALF
YEAR BONDS, COUPON 8.20 PERCENT, PRICED AT PAR, YIELD 8.20.

-----C. 250 MILLION DOLLAR ISSUE OF TWENTY YEAR BONDS,
COUPON 8.625, PRICED AT 99.75 TO YIELD 8.651.

2. COMMENT: EARLIER REPORTS INDICATED ISSUE MANAGERS HAD
HOPED TO PRICE BONDS TO YIELD 7.95, 8.1, AND 8.63 PERCENT,
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RESPECTIVELY. THESE YIELDS WOULD HAVE PUT GOC BONDS AT
ABOUT 15, 20, AND 40 BASIS POINTS ABOVE COMPARABLE U.S.
TREASURY ISSUES, BUT SLIGHTLY LESS THAN YIELDS ON SOME
SECURITIES OF AGENCIES GUARANTEED BY THE U.S. GOVERNMENT.
PRICES AND YIELDS ANNOUNCED ON SEVEN AND ONE HALF AND
TWENTY YEAR ISSUES REPRESENT ONLY SLIGHT COMPROMISE, IF
ANY, TO THIS OBJECTIVE.

3. UNDERWRITERS REPORT ALL INDICATIONS ARE THAT ISSUE
WILL BE "VERY SUCCESSFUL". ENDERS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOLLAR, ECONOMIC PROGRAMS, BONDS (SECURITIES)
Control Number: n/a
Copy: SINGLE
Draft Date: 22 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780125-0305
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780337/aaaabfiv.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c45cc1bf-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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